

COMMONWEALTH OF VIRGINIA
DIVISION OF PURCHASES AND SUPPLY
805 E. BROAD STREET, 3rd Floor, BID TAB ROOM
RICHMOND, VIRGINIA 23218-1199

NOTICE OF CONTRACT AWARD

1. DATE September 27, 2002
2. COMMODITY NAME **Travel Charge Card Services**
3. COMMODITY CODE 94635
4. CONTRACT NUMBER..... **9463501-30**
5. SUPERSEDES90718-10
6. CONTRACT PERIOD..... **October 1, 2002 through December 31, 2005**
7. AUTHORIZED USERS **States Agencies, Institutions, and Public Bodies**
8. CONTRACTOR'S FEI NUMBER..... 13-3133497
9. CONTRACTOR **American Express Corporate Services**

Shannon M. Eigenberger Dedicated Account Representative 101 N. 14 th Street Richmond, VA 23219 Tel: 804-225-2382 or 877-266-9590 Fax: 804-371-8387 or 877-266-9590 Shannon.M.Eigenberger@aexp.com	 Pam L. Bailey Manager, Account Development 4533 Airlie Way Annandale, VA 22003 Tel: 877-310-1723 Fax: 877-310-1723 Pam.L.Bailey@aexp.com American Express Corporate Services 300 North Pinnacle Way Norcross, GA 30071 Brad Muench, Director Tel: 877-310-3676 Fax: 877-310-3676 Brad.Muench@aexp.com Regina A. Rasmussen, Admin. Asst. Tel: 770-368-5352 Fax: 770-368-5300 Regina.A.Rasmussen@aexp.com
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10. TERMS Net Upon Receipt
11. DELIVERY As Requested
12. FOR FURTHER CONTRACT INFORMATION CONTACT: Robert A. Parolis
Statewide Service Contract Officer
Phone: (804) 786-0078

By: Robert A. Parolis
Contract Officer

Note: This public body does not discriminate against faith-based organizations in accordance with the Code of Virginia, § 2.2-4343.1 or against a bidder because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment.

INSTRUCTIONS

1. This **optional-use** contract has been established by competitive negotiations to provide statewide travel charge card services for the agencies, institutions, and public bodies of the Commonwealth of Virginia wherein selected employees may be given the opportunity to obtain a travel charge card that will be used only for official State business travel and related services. This contract is in compliance with the Commonwealth Accounting Policies and Procedures (CAPP) Manual, Section 20300.20335 dated October 1, 2002. Agencies, institutions, and public bodies have three options available for the purchase of air and rail tickets:
 - **Air Travel Card (ATC)** – DPS Contract 90717-03
 - **American Express (AMEX)** Travel Card – is used for all travel related expenses, including rail and airline tickets.
 - **Small Purchase Charge Card (SPCC)** – may only be used for transportation tickets (rail, air, bus).

Both the AMEX Travel Card and the Small Purchase Charge Card may be used to purchase airline and rail tickets.
2. Each using State agency, institution, and public body will be responsible for administering this contract as it pertains to their travel charge card service requirements. The decision on when a travel charge card is issued, and to whom, will be made by the agency head or his/her designee only. Each agency that utilizes the contract will designate an individual with senior fiscal or procurement responsibility as the Travel Charge Card Coordinator. The duties of the coordinator include establishing procedures for handling the services in accordance with the CAPP manual, to identify complaints and to receive and distribute Contractor information. Upon receipt of this Notice of Contract Award, agencies interested in utilizing the contract are required to notify Pat Trent, Service Contracts Section of the Division of Purchases and Supply of the name(s) and telephone number(s) of the Travel Charge Coordinator(s) and any subsequent assignment changes thereto. The Contractor will be given a list of the Travel Charge Card Coordinators.
3. Contractor performance issues under this contract are the responsibility of the Division of Purchases and Supply/Service Contracts Section. Complaints will be documented in accordance with paragraph 10.17 of the Agency Procurement and Surplus Property Manual and reported to the Division of Purchases and Supply. Preprinted forms (DGS-41-024), by which to facilitate the notification of the Contractor and this office are available by calling (804) 786-8873.
4. The provisions of this contract will not be used to obtain travel services contrary to State travel regulations, executive orders, directives or appropriations.
5. Renewals: Three (3) one year renewal options remain. The decision as to whether to exercise the next renewal option will be made by the DPS Contract Officer approximately four to six months in advance of the expiration date of the current term.

SERVICES TO BE PROVIDED

GENERAL REQUIREMENTS:

1. The Contractor will provide Travel Charge Card Services to the Commonwealth of Virginia that conforms to the policies and requirements of the CAPP manual.
2. The Contractor will provide a **no fee card** to the Commonwealth of Virginia employees on the basis of a review of the employee's credit history. The Contractor may deny issuance of a travel charge card to any participating agency employee who, in its opinion and on the basis of a credit history, is not a reasonable credit risk.
3. The Contractor provides a Travel Charge Card that has the following broad range of acceptance:
 - A. **Air Travel** – 100% all domestic and international common carriers
 - B. **Lodging*** - 100% of the major chains and thousands of independent properties
 - C. **Car Rental** – 100% of the major car rental outlets and second-tier agencies
 - D. **Restaurants*** – 94% of all restaurant expenses
 - E. **Auto-Related Expenditures** – 100% of the major gas and service stations, garages, towing services, etc.
 - F. **Telecommunications Services** – 100% of the major long distance carriers, wireless phone and pager carriers, and Internet access and conference all providers
 - G. **Other Business Related Vendors** – Many taxi cabs, hired cars, as well as business-related retail establishments such as computer stores, office supply locations, and printing/copying companies

The estimated number of establishments which accept the card worldwide in over 270 countries is over 7 million.

*The American Express Corporate Client Geographic Lodging and Restaurant Listing is a guide which provides city locations, addresses, telephone numbers, etc. of service establishments. It is available upon request from American Express.

4. The Contractor will not issue a Travel Charge Card to any employee unless the employee's application bears the signature of the agency's Travel Charge Card Coordinator indicating approval to process the application.

The Contractor will provide an adequate supply of Travel Charge Card applications to each State agency/institution/public body's Travel Charge Card Coordinator. Travel Charge Card Coordinators will be identified to the Contractor by the Division of Purchases and Supply.

Each employee designated to be eligible by the Travel Charge Card Coordinator to receive the card must have an annual salary of at least \$15,000. American Express will provide a corporate application to be completed by the employee. American Express will perform credit checks on all applicants. Upon approval, Card issuance takes approximately seven working days from receipt of the approved employee's application by American Express Operations Center in Phoenix, Arizona. With each card, the cardmember will receive information relative to card usage.

5. The Contractor will provide Travel Charge Cards issued in the employee's name and billed directly to the employee on a monthly basis. The card may include the name of the State agency/institution/public body in addition to the name of the individual; however, it must

appear directly below the name of the individual. The card shall not contain the name of the Commonwealth (Virginia, Commonwealth of Virginia, etc.).

6. The Commonwealth of Virginia agencies are currently on multiple billing cycles (0, 1, 2, 4, 5, and 8) to accommodate the wide variety of accounting close dates.

American Express Billing Cycles

Cycle Number	0	1	2	4	5	8
Date of Billing Cut-off	2	5	8	14	17	26
Date Statements Mailed	6	8	11	17	20	29
Date Statements Received	10	12	15	21	24	2

Approximately eight days after the monthly cut-off date, each cardmember will receive a statement from American Express. This statement is supported by a descriptive facsimile of the receipt of charge of all charges, remittances and credits processed to the account during that billing period. To facilitate reconciliation, American Express includes a hard copy of the charges billed during that billing period.

When payment is received before the next cut-off, the amount is considered current. If the payment is not received, the account will go to a 30 days past due status and that will be noted on the top of the billing statement. When a balance becomes 60 days past due, the cardmember will be notified on their billing statement along with a separate notice that their account is 60 days past due. At 60 days past due, a delinquency charge of 2.75% will be assessed. If the account is still delinquent at 90 days, 2.25% of the balance will be assessed. The minimum balance for a delinquency fee to be charged is \$50.00. Cardmember's privileges may be suspended when a history of delinquent payment develops and actions may be taken to cancel the cardmember's account after notification to the Commonwealth. The cardmember should be aware that such action is pending if payment was not received.

7. The Contractor's toll free number to be used by the employee for bill inquiries is 1-800-528-2122. Most bill inquiries by the cardmember or the State agency/institution/public body are routinely settled at the time of the inquiry or contact with the customer service representative assigned to service the Commonwealth of Virginia account. This service is available 24 hours a day, 365 days a year.
8. The Contractor will cancel the employee's Travel Charge Card upon notification by the using State agency/institution/public body or the employee. This notification will be written or verbal with written confirmation. The written confirmation should include the cancelled card, cut in halves. It is the Travel Charge Card Coordinator's responsibility to request the return of the card upon an employee's termination. The employee or the State agency/institution/public body may cancel a card by calling 1-800-528-2122.

American Express will suspend charge privileges or cancel a cardmember's account when any one of the following general conditions develops:

- A. Employment of a cardmember terminated.
- B. There is a consistent delinquent payment history.
- C. The cardmember files bankruptcy.

- D. Other conditions which constitute a credit risk for American Express.
9. If a card is lost or stolen, the cardmember should notify the Contractor immediately by calling 1-800-528-2122 in the United States or the Caribbean. Outside the United States, the cardmember may call the Corporate Card Service Center Collect or visit the nearest American Express Travel Services office (1700 worldwide). The cardmember may also call the Global Assist Hotline (1-800-554-AMEX).
- Twenty-four (24) hour **emergency card replacement** is available at no charge for any lost or stolen card and is usually accomplished during the same business day.
10. The Contractor has assigned a Dedicated Account Representative and Corporate Service Representative to handle and assist in correcting any problems concerning Contractor performance. The contact people are as follows:
- | | | |
|------------------------|---|---------------------|
| Dedicated Account Rep. | Shannon M. Eigenberger | Tel: (804) 225-2382 |
| | | Fax: (804) 371-8387 |
| | Email: Shannon.M.Eigenberger@aexp.com | |
| | | |
| Corporate Service Rep. | Pam L. Bailey | Tel: (877) 310-1723 |
| | | Fax: (877) 310-1723 |
| | Email: Pam.L.Bailey@aexp.com | |
11. The Contractor understands and agrees that the Commonwealth of Virginia accepts no liability or financial responsibility whatsoever for any charges incurred on employees' Travel Charge Cards or for any payments due the Contractor by the employee.

TRAINING REQUIREMENTS:

12. The Contractor will provide at no cost to the Commonwealth of Virginia, initial training and any follow-up training needed to accomplish the following:
- A. Make employees aware of the availability of the Travel Charge Card including benefits and features.
 - B. Explain the proper uses of the Travel Charge Card.
 - C. Explain billing procedures, employee liabilities, financial responsibilities and past due account procedures.
 - D. Explain the Travel Charge Card program and reports to each agency/institution/public body's Travel Charge Card Coordinator.
 - E. American Express will attempt to conduct or schedule training within 3-5 days of being notified.

REPORTING REQUIREMENTS:

13. The Contractor will provide monthly reports at no charge within ten (10) days of the Commonwealth's account billing cycles. The information reports are available by way of hard copy and on-line.

The following reports are available:

MONTHLY ACCOUNT CONTROL REPORT (MAC) - A complete overview of spending and payment by individual cardmembers each month. It identifies each cardmember, how much was spent and where. It also identifies out-of-pattern spending. The MAC report consists of the following five sections, each of which serves as an overview of a particular area of card activity:

Title Page - Provides identifying information on the account, including account number and the cut-off date for billing.

Account Summary - Summarizes the account for the month. It shows totals of charges, payments, debits, credits and the total due. It also breaks down the total due as an aged balance of 30, 60 and 90 days. The Commonwealth may also select the levels of aging to be reported so, the summary serves as an exception report.

Financial Detail - Section shows complete account information with past due accounts first, followed by current accounts.

Breakpoint Accounts Section - Is optional and identifies cardmembers who exceed the requirements of spending amounts identified in the CAPP's Manual.

Cardmember Reference Section - is an alphabetical listing of all the cardmembers, showing any cancellations, renewals or reinstatements for the month. This section also provides a concise 12-month account aging review, total charges for the past 12 months and average monthly charges for the past 12 months for each cardmember.

CONSOLIDATED MONTHLY ACCOUNT CONTROL REPORT (C-MAC) - Gives a complete overview of spending and payment by subordinate control accounts each month. It identifies exactly how much was spent by control account. It shows out-of-pattern spending, delinquencies in payment and the number of cards in force. The C-MAC report consists of the following three sections and serves as an overview of a particular area of card activity.

Title Page - Provides identifying information on the account, including the account number and the cut-off date for billing.

Account Summary - Summarizes the Commonwealth's account for each month.

Financial Detail - Shows complete account information by control account.

CARDMEMBER ACTIVITY REPORT - Gives the Commonwealth details of all cardmember transactions. Each month the cardmember report provides a complete record of each cardmember's charges and credits and includes a statement of the previous balance, new charges and credits and current balances outstanding.

VENDOR ANALYSIS REPORT - Allows the Commonwealth to better negotiate corporate rates with travel suppliers and monitor spending by industry. This report summarizes agency card charges by industry, category and establishment each month and for the fiscal year. Industry categories include hotel and motel, airline (emergency travel only), railroad, car rental and restaurant. The report consists of summaries by chain and by industry with details of every transaction. Data can be consolidated from more than one account or for the entire Commonwealth of Virginia.

SUMMARY VENDOR ANALYSIS REPORT - Allows the Commonwealth to better negotiate corporate rates with travel suppliers and monitor spending by industry. This report summarizes the information available in the Vendor Analysis Report. Year-to-date summaries for chains and industries are also provided.

GEOGRAPHIC VENDOR ANALYSIS REPORT - Allows the Commonwealth to see how much was spent on various types of travel services within geographic regions, helping to better negotiate corporate rates with individual establishments or vendors. This report summarizes card charges by industry, category and establishment with city and state. Industry categories include hotel and motel, airline, railroad, car rental and restaurant. This report also contains summaries of charge activity by chain within cities and states. Data can be consolidated from more than one account.

AIRLINE CREDIT REPORT - Monitors airline credits more closely and ensures that cardmembers whose accounts have been credited are not also reimbursed by the Commonwealth. This report itemizes all of the airline credit transactions alphabetically by cardmember. For each transaction, the report shows the cardmember name and account number, the airline and ticket number, the transaction date and amount and a total for the month. Data can be consolidated from more than one account. THIS REPORT WOULD ONLY BE ISSUED IF CARDHOLDERS HAD TO PURCHASE TICKETS ON AN EMERGENCY BASIS.

ALPHANUMERIC CARD LISTING - Serves as a quarterly check on who in the Commonwealth is a cardmember. It provides a cross-reference capability. This report is a quarterly report which includes each cardmember's address, card renewal date and the total number of cards in the Commonwealth system. It also enables the Commonwealth to look up an account number by cardmember name and a cardmember name by account number.

The Division of Purchases and Supply, Pat Trent, will receive an electronic copy of the following reports:

- A. Vendor Analysis Report.
- B. Summary Vendor Analysis Report.
- C. Geographic Vendor Analysis Report.
- D. Airline Usage Report.

State agencies should receive at a minimum the following report information for their agency only:

- A. Monthly Account Control Report (MAC).
- B. Consolidated Monthly Account Control Report (C-MAC).
- C. Cardmember Activity Report.
- D. Airline Credit Report (If applicable).
- E. Alphanumeric Card Listing.

Reports can be received online or mailed to the Travel Charge Card Coordinator.

The Department of Accounts will receive a copy of all reports available, as requested from AMEX.

These reports are to be mailed to:

Department of Accounts
P.O. Box 6-N
Richmond, VA 23215

ADDITIONAL CARD FEATURES

14. **\$350,000 Common Carrier Business Travel Accident Insurance** - This provides accidental death and dismemberment insurance whenever you travel on business and charge the common carrier fare to an eligible AMEX payment product. This insurance limits the

coverage to losses occurring on common carrier transportation. To be consistent with changes in the insurance industry, AMEX is excluding losses stemming from nuclear, biological or chemical hazards.

15. **Automatic Baggage Insurance Plan** - When a cardmember travels by common carrier on air, land, or sea and purchases their tickets with the AMEX card, the cardmember is automatically covered up to \$500 for baggage that is checked with the common carrier. "Carry on" baggage is covered up to \$1,250. These coverages are in excess of any amounts payable by the common carrier responsible for the loss. All baggage is covered to and from the terminal, as well as within the terminal.
16. **Primary Car Rental Loss and Damage Insurance** - When a cardmember charges a car rental anywhere in the world with the AMEX card, they are automatically covered for up to \$50,000 for damage to or loss of a rental car due to a collision, fire, theft or vandalism. Coverage is also provided, up to \$100, for items not permanently installed in the car but itemized on the rental agreement, such as cellular phones rented through the car rental agency.

Upon enrollment, Cardmembers pay only \$4 per car rental for up to 42 days compared to the average of \$12 per day typically charged by the car rental agencies. Commonwealth of Virginia can select coverage by car rental agency and on a domestic or international basis.

17. **Business Airflight Insurance** – Business Airflight Insurance provides up to \$1,000,000 of additional accidental death and dismemberment insurance. After enrollment, coverage will be automatic whenever the traveler charges a scheduled airline ticket to the eligible AMEX travel charge card. The per trip premium charge will be billed to the traveler's Travel Charge Card. Fees vary based on the selected level of coverage.

Business Travel Accident Insurance, American Express Baggage Insurance, and Business Airflight Insurance are underwritten by AMEX Assurance Company, Administrative Office, Green Bay, WI. Coverage is subject to the terms, conditions, and exclusions of the policy.

18. **Personal Check Cashing** - By presenting the card, cardmembers may cash personal checks at participating hotels and motels, airline and car rental counters. (Subject to local regulations and cash availability at the establishment.)

Personal Check Cashing at Hotel/Motels - The card guarantees a personal check for as much as \$250 at participating hotel and motels across the United States and Canada and \$100 in hotels and motels elsewhere in the world (when American Express card is used to pay lodging bill). Cardmembers simply present the card and a check at the front desk of the hotel or motel where they are registered. This service is subject to cash availability and local regulations at the particular hotel, motel or ticket counter.

19. **Personal Check Cashing at Airline Counters** - Up to \$50 in emergency cash can be obtained at airline counters (subject to cash availability).
20. **Travel Service Office Check Cashing** - Emergency cash and travel funds are easily obtained by cardmembers worldwide. A personal check for up to \$1000 (\$200 in cash and \$800 in American Express Travelers Cheques) can be cashed at most American Express Travel Service Offices. This service can be used once a week in North America and once every 21 days overseas.
21. **Travelers Companion** - A directory of offices of the Travel Services Network, including a compendium of useful travel suggestions and maps of major cities, is available to cardmembers upon request.

22. **Currency Conversion** - All card charges are processed daily as a total conversion and this ensures the very best spread available, often better than the exchange rate posted in banks.
23. **Cash Advances** - Cash advances may be obtained through the use of Corporate Travelers Cheques or the use of Automated Teller Machines (ATM's).

A. Travelers Cheques - Provide immediate cash access to agency/institution/public body travelers. They are available in books of \$200, \$500 and \$1000 and be delivered directly to the travelers. **The cost of the cheques is 3.25% of the face value.** In order to participate in this program each agency/institution/public body will have to enter into a cash management program agreement with American Express. Funding for this program will have to be established through a bank of the agency/institution/public body's choice. Each agency, institution, or public body participating in this program will assume all liability for the program. Charges for the cheques can be centrally billed to the agency/institution/public body or billed at time of purchase or to the card holder on their monthly statement. In the event the cheques are lost or stolen American Express will immediately refund or replace the cheques. The use of traveler's cheques can reduce the administrative costs associated with cash advances. Agencies/institutions/public bodies can set up travelers cheque accounts in with the following controls:

1. The agency/institution/public body can choose universal enrollment, group enrollment or individual enrollment.
2. The agency/institution/public body can limit the dollar amount of the cheques or the frequency the traveler can purchase cheques.
3. The agency/institution/public body can set up access controls to allow automatic resupply, on-request supply, or Corporate Card based access.

The face value of the travelers cheque is not charged until the cheque is cashed.

B. ATM's - Cash advances through walk-up Automated Teller Machines (ATM's) may be arranged under this contract. The amount should be in accordance with the guidelines of the CAPP manual and agency/institution/public body guidelines for cash advances. Each cash advance will be charged at a rate of \$1.50 per transaction. In order to participate in this program each agency/institution/public body will have to enter into a cash management program agreement with American Express. Funding for this program will have to be established through a bank of the agency/institution/public body's choice. Each agency, institution, or public body participating in this program will assume all liability for the program. Each cardmember that participates in this program will have to have to be assigned PIN number to access ATM's for cash advances.

1. American Express has a global network of 522,000 ATM's and growing on a daily basis.
2. Travelers can call 1-800-Cash-Now 24 hours a day, 365 days a year to locate the nearest ATM location. Travelers outside the United States may call collect.
3. ATM's are conveniently located in airports, hotel and shopping complexes.
4. The list of ATM's is quite lengthy and changing on a daily basis. However, a copy of this listing will be mailed to the cardmember upon request.

23. **Global Assist** - American Express has a 24 hour hotline 1-800-554-AMEX which provides worldwide referrals for personal, medical and legal emergencies. Global Assist provides cardmembers with toll-free assistance worldwide, including the following services:
- A. Communicating messages or medical information to friends, relatives or business associates virtually anywhere in the world in the event of a medical or legal emergency, including the shipment of medications from home.
 - B. Providing up to \$5000 as a cash advance for hospital admission or bail.
 - C. Arranging for emergency medical transportation service (either to medical facilities or back home) for cardmembers, relatives, or business associates traveling with the cardmember.
 - D. Arranging necessary medical appointments in the event of illness in a foreign country where there may be a language barrier.